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Utah State Legislature

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August 19, 2015

President Wayne L. Niederhauser, Chair
Speaker Gregory H. Hughes, Vice-Chair
Legislative Management Committee
Utah State Capitol Complex
Salt Lake City, Utah 84114

Subject: Tax Review Commission Request

Members of the Legislative Management Committee:

As required by Utah Code §59-1-903, the Tax Review Commission may only make recommendations to the Legislature on specific tax issues, as requested by:

- the governor;
- the Legislature in a joint resolution of the Legislature; or
- the Legislative Management Committee.

We respectfully request that the Legislative Management Committee ask the Utah Tax Review Commission to study state and local taxes on businesses for the purpose of providing recommendations on changes to state law that would:

- ensure greater economic growth in the state;
- enhance Utah's ability to compete with other states; and
- remove barriers to having successful and competitive businesses.

As part of the study, the commission should look at the economic benefits of (A) removing the three-year economic life component of the manufacturers' sales tax exemption and (B) allowing all tax payers to use a single sales factor formula to apportion business income for purposes of corporate franchise and income taxes.

Thank you for your consideration. Please contact us with any questions you may have.

Sincerely,

Sen. Deidre M. Henderson, Senate Chair
Revenue and Taxation Interim Committee

Rep. Daniel McCay, House Chair
Revenue and Taxation Interim Committee